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**AMITE RIVER BASIN
DRAINAGE AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA**

**BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

AS OF AND FOR THE YEAR ENDED JUNE 30, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/17/07

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2007**

TABLE OF CONTENTS

	<u>Page No.</u>
BASIC FINANCIAL STATEMENTS	
Independent Auditors' Report.....	1
Required Supplemental Information (Part 1 of 2) Management's Discussion and Analysis.....	4
Government-Wide Financial Statements	
Statements of Net Assets.....	10
Statement of Activities.....	11
Fund Financial Statements	
Balance Sheets	13
Reconciliation of the Governmental Fund Balance Sheets to the Government-Wide Statements of Net Assets.....	15
Statements of Revenue, Expenditures and Changes in Fund Balances	16
Reconciliation of the Governmental Fund Statements of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities.....	18
Notes to Financial Statements	
Index.....	20
Notes	21
Required Supplemental Information (Part 2 of 2) Budgetary Comparison Schedule.....	33
SUPPLEMENTAL SCHEDULES AND INFORMATION	
Schedule of Per Diem Paid to Board Members	35
Schedule of Professional Service Payments	36

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2007**

TABLE OF CONTENTS

	<u>Page No.</u>
Report on Compliance and Other Matters and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	37
Schedule of Findings and Questioned Costs.....	39
Summary Schedule of Prior Year Findings	40
Management's Corrective Action Plan.....	41
OTHER REQUIRED SUPPLEMENTARY INFORMATION	
Louisiana's Comprehensive Annual Financial Report	43

MARY SUE STAGES, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

.....

3121 Van Buren Street, Suite A
P. O. Box 30
Baker, Louisiana 70704-0030
Phone (225) 775-4982 * Fax (225) 775-4912
mstages@butlercpa.brcoxmail.com

Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

INDEPENDENT AUDITORS' REPORT

Board of Commissioners of the
Amite River Basin Drainage and
Water Conservation District
State of Louisiana
3535 South Sherwood Forest Boulevard
Suite 135
Baton Rouge, Louisiana 70816

We have audited the accompanying financial statements of the governmental activities, major fund and the aggregate remaining fund information of the Amite River Basin Drainage and Water Conservation District, a component unit of the State of Louisiana, as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Amite River Basin Drainage and Water Conservation District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

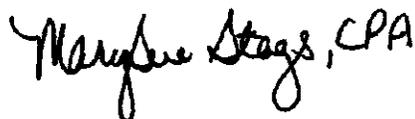
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund and the aggregate remaining fund information of the Amite River Basin Drainage and Water Conservation District as of June 30, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Board of Commissioners of the
Amite River Basin Drainage and
Water Conservation District
State of Louisiana
Page Two

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statement. The required supplemental information, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This required supplemental information is the responsibility of the Amite River Basin Drainage and Water Conservation District's management. It has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2007, on our consideration of the Amite River Basin Drainage and Water Conservation District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying supplemental information listed in the table of contents under Supplemental Schedules and Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Mary Sue Stages, CPA
A Professional Accounting Corporation
August 21, 2007

REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

The purpose of this section is to offer management's discussion and analysis of the Amite River Basin Drainage and Water Conservation District of the State of Louisiana's (hereafter referred to as the District) financial performance during the year ended June 30, 2007. It should be read in conjunction with the financial report taken as a whole.

Highlights of the District as a Whole

Since its inception, the District has been spearheading the construction of the Comite River Diversion Canal Project. This is a \$168,000,000 Regional Flood Control Project to benefit portions of East Baton Rouge, Ascension and Livingston Parishes. The project is funded 70% with federal funds, 20% with state funds and 10% with the District's funds. The District funds, to carryout its responsibilities, are funded through a 3-mill, 10-year ad valorem tax approved by the citizens in the District in the year 2000.

Our efforts have been concentrated in acquiring rights-of-way, preparation of plans and specifications for the various features of the canal-highways, bridges, railroad bridges and control structures. We are presently in the third year of construction of Phase II of the Lilly Bayou Control Structure located at the western end of the proposed canal. We anticipate construction of a bridge over LA 67 (Plank Road) at the canal crossing.

Other activities undertaken under the District's auspices include: (1) Provide technical assistance to local governments toward the implementation of their Community Rating System (CRS). This is a FEMA program to lower flood insurance rates to citizens affected by flooding (2) through a Cooperative Agreement with the United States Geological Survey (USGS) maintain and operate river gages along the Amite, Comite and Colyell Rivers. The information obtained through these gauges helps develop more accurate hydrologic and hydraulic modeling capabilities. Also, these river gauges are critical and essential part for predicting flood stages during flooding events and is an indispensable tool for emergency preparedness managers and the public in general. A companion to this effort is a "Flood Tracking Chart" published by the District and free of charge to the general public.

Overview of the Financial Statement Presentation

These financial statements are comprised of three components – (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. There is also other supplemental information contained in this report provided for additional information.

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

Government-wide Financial Statements. The government-wide financial statements present financial information for all activities of the District from an economic resource measurement focus using the accrual basis of accounting. These provide both short-term and long-term information about the District's overall financial status. They include a statement of net assets and statement of activities.

Statement of Net Assets. This statement presents information on all of the District's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or not.

Statement of Activities. This statement presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the District's financial reliance on general revenues.

The government-wide financial statements can be found on pages 10-11 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one category of funds: governmental funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the focus with fund statements is to provide a distinct view of the District's governmental funds only. These statements report short-term fiscal accountability emphasizing the use of spendable resources during the year and balances of spendable resources available at the end of the year.

Because the view of governmental funds is short-term and the view of the government-wide financial statements is long-term, it is useful to compare these two perspectives. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provides reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints.

Governmental funds of the District include a general fund, capital projects and debt service funds. The fund financial statements begin on page 13.

Budgetary comparison schedules are included for governmental funds under required supplemental information – part 2 of 2. These schedules indicate the District's compliance with its adopted and final revised budgets and begin on page 33.

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The index of the notes is found on page 20 with the actual notes beginning immediately afterwards.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the District's budgetary comparisons on pages 34-35.

Financial Analysis of the District

Net assets are an indicator of the District's financial position from year to year. A summary of net assets follows.

**SUMMARY OF NET ASSETS
Governmental Activities**

	<u>2007</u>	<u>2006</u>
Assets		
Current assets	\$ 376,073.98	\$ 222,725.11
Restricted assets	631,479.03	542,293.73
Capital assets, net	<u>8,639,872.75</u>	<u>7,696,457.75</u>
Total Assets	9,647,425.76	8,461,476.59
Liabilities		
Current liabilities	7,906.73	7,457.97
Liabilities payable from restricted assets	1,965,907.50	2,407,966.34
Long-term liabilities	<u>5,876.40</u>	<u>6,058.32</u>
Total Liabilities	<u>1,979,690.63</u>	<u>2,421,482.63</u>
Net Assets		
Invested in capital assets, net of related debt	6,694,872.75	5,311,457.75
Restricted	610,571.53	519,327.39
Unrestricted	<u>362,290.85</u>	<u>209,208.82</u>
Total Net Assets	<u>7,667,735.13</u>	<u>6,039,993.96</u>

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

A summary of changes in net assets is as follows:

**SUMMARY OF CHANGES IN NET ASSETS
Governmental Activities**

	<u>2007</u>	<u>2006</u>
Revenues		
Operating grants/contributions	\$ 50,000.00	\$.00
General revenues:		
Property taxes	1,855,055.05	1,679,713.36
Interest earnings	<u>47,133.08</u>	<u>43,021.14</u>
Total Revenues	1,952,188.13	1,722,734.50
Expenses		
General government	<u>324,593.52</u>	<u>295,911.99</u>
Change in net assets	1,627,594.61	1,426,822.51
Net assets, beginning	<u>6,040,140.52</u>	<u>4,613,318.01</u>
Net assets, ending	<u>7,667,735.13</u>	<u>6,040,140.52</u>

Budgetary Highlights

The District has always operated within its annual budgetary constraints. Although the District did not receive any state funds for administrative operating expenses, we expect to receive financial assistance in next fiscal year.

The construction of the Comite River Diversion Canal Project has further improved the budgetary conditions of the District.

Capital Asset and Debt Administration

Capital Assets: The District's investment in capital assets, net of accumulated depreciation, at June 30, 2007 and 2006, was \$6,694,873 and \$7,696,458, respectively. Additions in both years consisted of continuing costs associated with the construction of the diversion canal. All assets were properly recorded with the State of Louisiana and a detailed list is maintained.

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

Capital assets at year-end are summarized as follows:

**CAPITAL ASSETS
Net of Accumulated Depreciation
Governmental Activities**

	<u>2007</u>	<u>2006</u>
Depreciable Assets		
Furniture/equipment	\$ 4,579.27	\$ 2,250.65
Canals and drainage	8,635,293.48	7,694,207.10
Total	<u>8,639,872.75</u>	<u>7,696,457.75</u>

Long-Term Debt: Long-term debt of the District includes compensated absences at amounts of \$5,876 and \$6,058 at June 30, 2007 and 2006, respectively. Additionally, certificates of indebtedness were issued in December of 2003, in the amount of \$3,600,000. Principal payments totaling \$1,655,000 have been made, leaving a balance of \$1,945,000 at June 30, 2007.

Economic Environment and Next Year's Budget

We expect to receive supplemental appropriations from the State (capital outlay) and federal government to continue construction as we have been receiving in the past. The construction of the Comite River Diversion Canal Project is expected to be completed in six to eight years.

Request for Information

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations and demonstrate the District's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Dietmar Rietschier, Executive Director, at 3535 South Sherwood Forest Boulevard, Suite 135, Baton Rouge, Louisiana 70816-2255, 225-296-4900.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
STATEMENTS OF NET ASSETS
JUNE 30, 2007 AND 2006

	Governmental Activities	
	<u>2007</u>	<u>2006</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 376,073.98	\$ 222,725.11
Restricted Assets		
Cash and cash equivalents/capital projects	631,479.03	542,293.73
Non-Current Assets		
Capital assets, net of accumulated depreciation:		
Furniture and equipment	4,579.27	2,250.65
Canals and drainage	8,635,293.48	7,694,207.10
Total Non-Current Assets	8,639,872.75	7,696,457.75
Total Assets	9,647,425.76	8,461,476.59
LIABILITIES		
Current Liabilities		
Accounts payable	3,225.48	2,776.72
Accrued salaries payable	4,681.25	4,681.25
Total Current Liabilities	7,906.73	7,457.97
Liabilities Payable from Restricted Assets		
Accounts payable	-	1,912.17
Accrued interest payable	20,907.50	21,054.17
Bonds payable, current portion of \$440,000 and \$420,000	1,945,000.00	2,385,000.00
Total Liabilities Payable from Restricted Assets	1,965,907.50	2,407,966.34
Non-Current Liabilities		
Compensated absences payable	5,876.40	6,058.32
Total Liabilities	1,979,690.63	2,421,482.63
NET ASSETS		
Invested in capital assets, net of related debt	6,694,872.75	5,311,457.75
Restricted for capital projects	610,571.53	519,327.39
Unrestricted	362,290.85	209,208.82
Total Net Assets	7,667,735.13	6,039,993.96

The accompanying notes are an integral part of this financial statement.

AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2007

<u>Functions/Programs</u>	Program Revenues			Net Revenues (Expenses)
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
General government	\$ 324,593.52	\$ -	\$ 50,000.00	\$ (274,593.52)
Total Governmental Activities/Primary Government	324,593.52	-	50,000.00	(274,593.52)
General Revenues				
Property taxes, levied for capital projects				1,855,055.05
Investment earnings				47,133.08
Total General Revenues				1,902,188.13
Change in Net Assets				1,627,594.61
Net Assets, beginning				6,040,140.52
Net Assets, ending				7,667,735.13

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
BALANCE SHEETS
GOVERNMENTAL FUNDS
JUNE 30, 2007 AND 2006

	2007			2006		
	General	Other Govern- mental Funds	Total Govern- mental Funds	General	Other Govern- mental Funds	Total Govern- mental Funds
ASSETS						
Cash and cash equivalents	\$ 376,073.98	\$ -	\$ 376,073.98	\$ 222,725.11	\$ -	\$ 222,725.11
Restricted assets:						
Cash and cash equivalents	-	631,479.03	631,479.03	-	542,293.73	542,293.73
TOTAL ASSETS	376,073.98	631,479.03	1,007,553.01	222,725.11	542,293.73	765,018.84

LIABILITIES AND FUND BALANCES

Liabilities:						
Accounts payable	3,225.48	-	3,225.48	2,776.72	-	2,776.72
Accrued salaries payable	4,681.25	-	4,681.25	4,681.25	-	4,681.25
Liabilities payable from restricted assets:						
Accounts payable	-	-	-	-	1,912.17	1,912.17
Accrued interest payable	-	20,907.50	20,907.50	-	21,054.17	21,054.17
Total Liabilities	7,906.73	20,907.50	28,814.23	7,457.97	22,966.34	30,424.31

AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
BALANCE SHEETS (Continued)
GOVERNMENTAL FUNDS
JUNE 30, 2007 AND 2006

	2007			2006		
	<u>General</u>	<u>Other Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>	<u>General</u>	<u>Other Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>
Fund Balances:						
Reserved for capital projects	\$ -	\$ 610,571.53	\$ 610,571.53	\$ -	\$ 519,327.39	\$ 519,327.39
Unreserved/undesignated	368,167.25	-	368,167.25	215,267.14	-	215,267.14
Total Fund Balances	368,167.25	610,571.53	978,738.78	215,267.14	519,327.39	734,594.53
TOTAL LIABILITIES AND						
FUND BALANCES	376,073.98	631,479.03	1,007,553.01	222,725.11	542,293.73	765,018.84

The accompanying notes are an integral part of this statement.

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEETS
TO THE GOVERNMENT-WIDE STATEMENTS OF NET ASSETS
JUNE 30, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
Total Fund Balances - Total Governmental Funds	\$ 978,738.78	\$ 734,594.53
 Amounts reported for governmental activities in the Statements of Net Assets are different because:		
 Capital assets used in governmental activities are not financial resources and, therefore, are not reported in these funds. This is the reported amount of capital assets net of accumulated depreciation.		
	8,639,872.75	7,696,457.75
 Long-term liabilities are not due and payable in the current period and, therefore, are not reported in these funds. Long- term liabilities include the following:		
Compensated absences	(5,876.40)	(6,058.32)
Bonds payable	(1,945,000.00)	(2,385,000.00)
	7,667,735.13	6,039,993.96
Total Net Assets - Governmental Activities	7,667,735.13	6,039,993.96

The accompanying notes are an integral part of this statement.

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEARS ENDED JUNE 30, 2007 AND 2006**

	2007			2006		
	<u>General</u>	<u>Other Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>	<u>General</u>	<u>Other Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>
REVENUES						
State appropriation	\$ 50,000.00	\$ -	\$ 50,000.00	\$ -	\$ -	\$ -
Property taxes	-	1,855,055.05	1,855,055.05	-	1,679,713.36	1,679,713.36
Miscellaneous revenues	-	-	-	-	-	-
Investment earnings	10,932.09	36,200.99	47,133.08	5,200.11	37,821.03	43,021.14
Total Revenues	60,932.09	1,891,256.04	1,952,188.13	5,200.11	1,717,534.39	1,722,734.50
EXPENDITURES						
General government	269,542.73	49,315.17	318,857.90	80,688.47	211,798.16	292,486.63
Capital outlay	4,049.75	881,973.63	886,023.38	-	1,639,970.75	1,639,970.75
Debt service:						
Principal	-	440,000.00	440,000.00	-	420,000.00	420,000.00
Interest	-	63,162.50	63,162.50	-	63,442.50	63,442.50
Total Expenditures	273,592.48	1,434,451.30	1,708,043.78	80,688.47	2,335,211.41	2,415,899.88
Excess (Deficiency) of Revenues over Expenditures	(212,660.39)	456,804.74	244,144.35	(75,488.36)	(617,677.02)	(693,165.38)

AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
GOVERNMENTAL FUNDS
YEARS ENDED JUNE 30, 2007 AND 2006

	2007			2006		
	General	Other Govern- mental Funds	Total Govern- mental Funds	General	Other Govern- mental Funds	Total Govern- mental Funds
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	\$ 365,560.50	\$ -	\$ 365,560.50	\$ 187,780.26	\$ 483,442.50	\$ 671,222.76
Transfers to other funds	-	(365,560.50)	(365,560.50)	-	(671,222.76)	(671,222.76)
Total Other Financing Sources (Uses)	365,560.50	(365,560.50)	-	187,780.26	(187,780.26)	-
Net Change in Fund Balances	152,900.11	91,244.24	244,144.35	112,291.90	(805,457.28)	(693,165.38)
Fund balances, beginning	215,267.14	519,327.39	734,594.53	102,975.24	1,324,784.67	1,427,759.91
Fund balances, ending	368,167.25	610,571.63	978,738.88	215,267.14	519,327.39	734,594.53

The accompanying notes are an integral part of this statement.

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENTS
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
Net Change in Fund Balances - Total Governmental Funds	\$ 244,144.35	\$ (693,165.38)
 Amounts reported for governmental activities in the Statement of Activities are different because:		
 Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
	943,268.34	1,701,306.97
 Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. This is the amount by which proceeds differed from repayments.		
	440,000.00	420,000.00
 Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. These include the net change in compensated absences.		
	<u>181.92</u>	<u>(1,319.08)</u>
Change in Net Assets - Governmental Activities	<u>1,627,594.61</u>	<u>1,426,822.51</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
INDEX TO NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

<u>Note No.</u>	<u>Description</u>	<u>Page No.</u>
	Introduction.....	21
1	Summary of Significant Accounting Policies.....	21
2	Cash and Cash Equivalents.....	26
3	Restricted Assets.....	27
4	Capital Assets.....	27
5	Leave.....	28
6	Retirement System.....	28
7	Post Retirement Health Care and Life Insurance Benefits.....	29
8	Leases.....	29
9	Accounts and Other Payables.....	29
10	Long-Term Liabilities.....	30
11	Interfund Transactions.....	31
12	Related Party Transactions.....	31
13	Litigation.....	31
14	Subsequent Events.....	31

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

INTRODUCTION

The Amite River Basin Drainage and Water Conservation District is a component unit of the State of Louisiana as provided by Louisiana Revised Statute 38:3301-3309. The District serves as a multi-parish authority to accomplish flood control measures, facilitate cooperation between federal, state and local governing bodies to foster floodplain management, maintain and operate structures built under the auspices of the Amite River Basin Commission and coordinate river management within the basin. It is charged with the responsibility to establish adequate drainage, flood control and water development including, but not limited to, construction of reservoirs, diversion canals, gravity and pumped drainage systems and other flood control works. The basin includes all territory within the watershed limits of the Amite River and tributaries covering areas within the parishes of East Baton Rouge, St. Helena, East Feliciana, Livingston and those portions east of U.S. Highway 61 in Ascension and St. James Parishes.

The District is managed by a Board of Commissioners composed of 13 members that are appointed by the Governor of the State of Louisiana and serve terms concurrent with that of the Governor. Domiciled in Baton Rouge, the District is advised by the Louisiana Department of Transportation and Development. Commissioners, as authorized by Louisiana Revised Statute 38:3304, receive a per diem to attend meetings or conduct board-approved business not to exceed \$75 per day.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the Amite River Basin Drainage and Water Conservation District conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the District is considered a component unit of the State of Louisiana because the State exercises oversight responsibility in that the Governor appoints the majority of the board members and public service is rendered within the State's boundaries. The accompanying financial statements present only the transactions of the Amite River Basin Drainage and Water Conservation District.

Government-wide Accounting: In accordance with Government Accounting Standards Boards Statement No. 34, the District has presented a statement of net assets and statement of activities for the District as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity

Interfund receivables and payable are eliminated in the statement of net assets except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses, from one function to another or within the same function, is eliminated in the statement of activities. Allocated expenses are reported by the function to which they were allocated.

Application of FASB Statements and Interpretations

Reporting on governmental-type and business-type activities are based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized along with interest on debt incurred during construction. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the statement of net assets.

Using the requirements of GASB Statement No. 34, the District is considered a Phase 3 government, as its total annual revenues are less than \$10 million. Such governments are not required to report major general infrastructure assets retroactively. The District has opted not to retroactively report these types of capital assets.

Program Revenues

The Statement of Activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the District. Grants and contributions, whether operating or capital in

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

nature, are revenues arising from receipts that are reserved for a specific use.

Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the District has chosen not to do so.

Operating/Non-Operating Revenues

Proprietary funds separately report operating and non-operating revenues.

Reserved Net Assets

Reserved net assets are those for which a constraint has been imposed either externally or by law. The District recognized the use of reserved resources for expenditures that comply with the specific restrictions. Reserved resources are exhausted before unreserved net assets are used.

Fund Types and Major Funds: The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate entity with a self-balancing set of accounts. Funds of the District are classified under one category: governmental. This category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds: Governmental funds account for all or most of the District's general activities, including the collection and disbursement of specific or legally reserved monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General – accounts for all activities not required to be reported in another fund;
2. Capital Projects – accounts for the flow of resources related to the construction, acquisition or renovation of capital assets; and
3. Debt Service – accounts for the accumulation of resources for the payment of long-term debt principal and interest.

These funds are considered major funds. The capital projects and debt service funds report the activity of the Comite Diversion Canal Project and are combined for reporting purposes.

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

Basis of Accounting/Measurement Focus: In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification, and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles and are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy.

The type of financial statement presentation determines the accounting and financial reporting treatment applied to a fund.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental and business-type activities are included in the statement of net assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the statement of activities. In these statements, capital assets are reported and depreciated in each fund, and long-term debt is reported.

The fund statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated. Principle and interest paid on long-term debt is reported as current expenses.

Budgets and Budgetary Accounting: The District adopts an annual budget for all of its funds, prepared in accordance with the basis of accounting utilized by that fund. The Board must approve any revisions that alter the total expenditures. Budgeted amounts shown are as originally adopted and as amended by the Board. Budget amendments are passed on an as-needed basis. A balanced budget is required.

The budget is submitted to the State of Louisiana as prescribed by Louisiana Revised Statute 36:803 and submitted to the Legislature in accordance with 39:1331-1342. Although budget amounts lapse at year-end, the District retains its unexpended fund balances to fund expenditures of the succeeding year.

Cash and Cash Equivalents: Cash includes amounts in interest bearing demand deposits and funds held by the Louisiana Asset Management Pool (LAMP). Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Investments: Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. The District did not have any investments at June 30, 2007 or 2006.

Inventory: Inventory of the District includes only office supplies, the amount of which is considered immaterial. Therefore, the acquisition of such items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Restricted Assets: Certain proceeds of the District, primarily property taxes, are classified as restricted assets on the balance sheet because their use is limited.

Capital Assets: The District's assets are recorded at historical cost. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Equipment	4-10 years	Infrastructure	40-50 years
Office furniture	5-7 years		

In June 1999, the Governmental Accounting Standards Board issued Statement No. 34 which requires the inclusion of infrastructure assets used in governmental activities in the basic financial statements retroactively reported back to 1982. An exception exists for local governments with annual revenues of less than \$10 million. As a result of this exception, the District has elected to not report its governmental infrastructure retroactively. From this point forward, the District will use the basic approach to infrastructure reporting for its governmental activities when applicable.

Compensated Absences: At June 30, 2007 and 2006, employees of the District had accumulated and vested \$5,876.40 and \$6,058.32, respectively, of employee leave benefits that were computed in accordance with GASB Codification Section C60.150.

Long-Term Obligations: In the government-wide financial statements, debt principal payments of government activities are reported as decreases in the balance of the liability on the statement of net assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

Net Assets/Fund Balances: In the statements of net assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets is as follows:

Invested in Capital Assets, Net of Related Debt

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets

Net assets that are reserved by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, these non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

Unrestricted Net Assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

In the balance sheet of governmental funds, fund balances are segregated as follows:

Reserved

These resources are segregated because their use is earmarked for a specific use.

Unreserved

This category represents that portion of equity not appropriable for expenditures or legally segregated for a specific future use.

Interfund Transactions: All interfund transactions except quasi-external transactions are reported as operating transfers. These are eliminated in the government-wide statements.

NOTE 2 – CASH AND CASH EQUIVALENTS

Deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding, or custodial bank that is mutually acceptable to both parties.

With the adoption of GASB Statement No. 40, only deposits that are considered exposed to custodial credit risk are required to be disclosed. The Board does not have any deposits that fall within that category. The collected bank balances at June 30, 2007 and 2006, were \$157,260.98 and \$103,207.48, respectively. Deposits of the District are secured with \$200,000 (\$100,000 at Capital One and \$100,000 at Hancock Bank) of insurance through FDIC and \$1,140,093 of pledged collateral.

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

The following is a summary of cash and cash equivalents (book balances):

	<u>General Fund</u>		<u>Capital Projects Fund</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Petty cash	\$ 200.00	\$ 200.00	\$.00	\$.00
Interest-bearing demand deposits	48,298.55	15,834.85	90,301.77	70,556.65
LAMP	<u>327,575.43</u>	<u>206,690.26</u>	<u>541,177.26</u>	<u>471,737.08</u>
Total	<u>376,073.98</u>	<u>222,725.11</u>	<u>631,479.03</u>	<u>542,293.73</u>

NOTE 3 – RESTRICTED ASSETS

Restricted assets include cash and cash equivalents of \$631,479.03 at June 30, 2007, and \$542,293.73 at June 30, 2006. These assets were accumulated for the construction of a diversion canal for the Comite River thus restricting their use for that purpose.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2007, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets, being depreciated				
Furniture and equipment	\$ 45,638.77	\$ 4,049.75	\$.00	\$ 49,688.52
Less: accumulated depreciation	<u>43,191.71</u>	<u>1,917.54</u>	<u>.00</u>	<u>45,109.25</u>
Net Furniture and Equipment	2,447.06	2,132.21	.00	4,579.27
Canals and drainage	7,694,207.10	941,136.13	.00	8,635,293.48
Less: accumulated depreciation	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>
Net Canals and Drainage	<u>7,694,207.10</u>	<u>941,136.13</u>	<u>.00</u>	<u>8,635,293.48</u>
Net Capital Assets, being depreciated	<u>7,696,654.16</u>	<u>943,268.34</u>	<u>.00</u>	<u>7,696,457.75</u>

The District capitalizes interest paid during construction on debt incurred for that purpose. Additions during the year of \$941,136.13 to canals and drainage include \$881,973.63 in capital outlay and \$63,162.50 of interest on bonds during construction.

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 5 – LEAVE

Annual and Sick Leave. The District's employees earn and accumulate annual and sick leave at varying rates depending on their years of full-time service. Accumulated leave is carried forward to succeeding years without limitation. Upon termination, employees are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure when leave is actually taken in the fund financial statements. The cost of leave privileges not requiring current resources is recorded by governmental funds in long-term obligations.

Only annual leave is accrued in the accompanying statements of net assets at \$5,876.40 and \$6,058.32 for June 30, 2007 and 2006, respectively.

Compensatory Leave. Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. There was no accrued compensatory leave time at June 30, 2007 or 2006.

NOTE 6 – RETIREMENT SYSTEM

Substantially all of the employees of the District are members of the Louisiana State Employees Retirement System (System), cost sharing, multiple-employer and defined benefit pension plan. The System is a statewide public retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time employees are eligible to participate. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service plus \$300 for employees hired before July 31, 1986. Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service or (c) age 60 with 10 years of service. An option of reduced benefits at any age with 20 years of service is available. The System also provides death and disability benefits. The System issues an annual financial report that is available to the public including financial statements and required supplementary information of the System. That report may be obtained by contacting the Louisiana State Employees Retirement System, P. O. Box 44213, Baton Rouge, La. 70804, 225-922-0605 or 800-256-3000.

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

Covered employees are required to contribute 7.5% of gross salary to the plan, and the District is required to contribute an actuarially determined rate as required by Louisiana Revised Statute 11:102. That rate for the year ended June 30, 2007, was 19.1%. Contributions to the System for the years ended June 30, 2007, 2006 and 2005, were \$21,459, \$21,215, and \$18,817, respectively.

NOTE 7 – POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The District may provide certain continuing health care and life insurance benefits for its retired employees. Substantially all of the District's employees become eligible for those benefits if they reach normal retirement age while working for the District. Those benefits include joint payment of monthly premiums at 50% District and 50% retired person. The District does not currently have any retired persons to which it provides post retirement benefits.

NOTE 8 – LEASES

Operating Leases. The District leases office space on an annual basis. For the year ended June 30, 2007, payments of \$21,072 were made while \$20,766 was made in the preceding year. The monthly rental amount is \$1,756.

A copier is leased on a month-to-month basis from Xerox Corporation for \$182.33 per month or \$2,187.96 annually.

Capital Leases. The District has no capital leases.

NOTE 9 – ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at June 30, 2007:

<u>Class of Payables</u>	<u>General</u>	<u>Capital Projects</u>
Accounts	\$ 3,225.48	\$.00
Salaries	4,681.25	.00
Interest	<u>.00</u>	<u>20,907.50</u>
Total	<u>7,906.73</u>	<u>20,907.50</u>

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 10 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2007, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Bonds payable	\$ 2,385,000.00	\$.00	\$ 440,000.00	\$1,945,000.00	\$460,000.00
Compensated absences	6,058.32	5,936.88	6,118.80	5,876.40	.00
Total	<u>2,391,058.32</u>	<u>5,936.88</u>	<u>446,118.80</u>	<u>1,950,876.40</u>	<u>460,000.00</u>

The District, as authorized under Section 742.2 of Title 39 of the Louisiana Revised Statutes of 1950 and other constitutional and statutory authority, issued Limited Tax Certificates of Indebtedness, Series 2003 in the amount of \$3,600,000 in December of 2003. The purpose of these funds is to provide necessary revenues to carry out the District's local share of the Comite River Diversion Canal Project as authorized in a proposition approved by the voters on July 15, 2000. Repayment will be made from the levy and collection of a 3 mills tax authorized to be levied each year through 2010.

Repayment is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Rate</u>
June 30, 2008	\$ 460,000.00	\$ 62,722.50	.100%
June 30, 2009	475,000.00	62,262.50	.350%
June 30, 2010	495,000.00	60,600.00	6.000%
June 30, 2011	515,000.00	30,900.00	6.000%
Total	<u>1,945,000.00</u>	<u>216,485.00</u>	

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 11 – INTERFUND TRANSACTIONS

Transfers among governmental funds were as follows during the current year:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Transfers from other funds	\$ 365,560.50	\$ 503,015.83	\$.00
Transfers to other funds	<u>.00</u>	<u>.00</u>	<u>868,576.33</u>
Total Transfers	<u>365,560.50</u>	<u>503,015.83</u>	<u>868,576.33</u>

NOTE 12 – RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure.

NOTE 13 – LITIGATION

There is no litigation that would require disclosure in this report.

NOTE 14 – SUBSEQUENT EVENTS

There were no events between the close of the year through issuance of this report that would materially impact these financial statements.

REQUIRED SUPPLEMENTAL INFORMATION
(PART 2 OF 2)

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2007**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
State appropriation	\$ -	\$ -	\$ 50,000.00	\$ 50,000.00
Investment earnings	-	-	10,932.09	10,932.09
Total Revenues	-	-	60,932.09	60,932.09
EXPENDITURES				
Personal services	158,650.00	161,650.00	160,914.38	735.62
Travel	4,500.00	10,500.00	10,433.29	66.71
Advertising, dues and subscriptions	2,200.00	2,200.00	693.00	1,507.00
Printing/duplication/typing/binding	4,000.00	3,000.00	696.93	2,303.07
Communications	7,000.00	9,500.00	5,196.78	4,303.22
Rentals	25,500.00	25,500.00	21,072.00	4,428.00
Maintenance/property and equipment	1,500.00	5,500.00	332.18	5,167.82
Professional services	23,500.00	16,000.00	11,195.00	4,805.00
Insurance and surety bonds	38,000.00	-	-	-
Materials and supplies	3,000.00	3,000.00	10,058.92	(7,058.92)
Intergovernmental	37,000.00	53,000.00	53,000.00	-
Total Expenditures	304,850.00	289,850.00	273,592.48	16,257.52
Deficiency of Revenues over Expenditures	(304,850.00)	(289,850.00)	(212,660.39)	77,189.61
OTHER FINANCING SOURCES (USES)				
Grants	-	-	-	-
Transfers from other funds	-	-	365,560.50	365,560.50
Total Other Financing Sources (Uses)	-	-	365,560.50	365,560.50
Net Change in Fund Balances	(304,850.00)	(289,850.00)	152,900.11	442,750.11
Fund Balances, beginning	102,975.24	102,975.24	215,267.14	(112,291.90)
Fund Balances, ending	(201,874.76)	(186,874.76)	368,167.25	330,458.21

See Auditors' Report

SUPPLEMENTAL SCHEDULES AND INFORMATION

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2007**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, this schedule of per diem paid to board members is presented for the year ended June 30, 2007.

<u>Name</u>		<u>Amount</u>
Bell, Patrick	\$	2,025.00
Bourgeois, Paul A.		1,050.00
Cornette, Russell W.		675.00
Irvin, Sr., Leonard		825.00
Johnson, Hugh J.		600.00
Leader, Jr., Barton J.		450.00
Lee, Willie George		825.00
Loupe, Jr., Sitman		2,025.00
Louque, Terry		1,050.00
Mellon, Robert S.		300.00
Thomas, Larry		300.00
Thompson, Don		<u>2,700.00</u>
Totals		<u>12,825.00</u>

See Auditors' Report

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
SCHEDULE OF PROFESSIONAL SERVICE PAYMENTS
YEAR ENDED JUNE 30, 2007**

The following payments were made to contractors for professional services rendered for surveys, feasibility studies and/or special studies:

Contract Date	Description	Amount
9/19/2006	U.S. Geological Survey Study of water flow at weir near entrance to the Comite River Diversion Canal	\$ 6,000.00

See Auditors' Report

**MARY SUE STAGES, CPA
A PROFESSIONAL ACCOUNTING CORPORATION**

3121 Van Buren Street, Suite A
P. O. Box 30
Baker, Louisiana 70704-0030
Phone (225) 775-4982 * Fax (225) 775-4912
mstages@butlercpa.brcoxmail.com

*Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center*

**REPORT ON COMPLIANCE AND OTHER MATTERS AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Commissioners of the
Amite River Basin Drainage
And Water Conservation District
State of Louisiana
3535 South Sherwood Forest Boulevard
Suite 135
Baton Rouge, Louisiana 70816-2255

We have audited the financial statements of the governmental activities, major fund and the aggregate remaining fund information of the Amite River Basin Drainage and Water Conservation District as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon August 21, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance and Other Matters

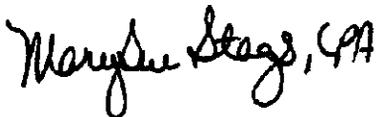
As part of obtaining reasonable assurance about whether the Amite River Basin Drainage and Water Conservation District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Board of Commissioners of the
Amite River Basin Drainage
and Water Conservation District
State of Louisiana
Page Two

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Amite River Basin Drainage and Water Conservation District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, the Legislative Auditor distributes this report as a public document.



Mary Sue Stages, CPA
A Professional Accounting Corporation
August 21, 2007

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2007**

We have audited the financial statements of the Amite River Basin Drainage and Water Conservation District as of and for the year ended June 30, 2007, and have issued our report thereon August 21, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2007 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control	Material Weakness	<input type="checkbox"/> No
	Reportable Condition	<input type="checkbox"/> No
Compliance	Compliance Material to F/S	<input type="checkbox"/> No

2. Federal Awards

N/A

Section II Financial Statement Findings

N/A

Section III Federal Award Findings and Questioned Costs

N/A

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2007**

Section I Internal Control and Compliance Material to the Financial Statements

N/A

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

N/A

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2007**

Section I Internal Control and Compliance Material to the Financial Statements

N/A

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

N/A

OTHER REQUIRED SUPPLEMENTARY INFORMATION

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
LOUISIANA COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2007**

As a component unit of the State of Louisiana, the financial statements of the Amite River Basin Drainage and Water Conservation District are included in Louisiana's Comprehensive Annual Financial Report. Following are the statements being submitted to the Division of Administration. The amounts recorded have been subjected to the same auditing procedures as those recorded in the accompanying financial statements.

AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2007

C O N T E N T S

Statements

MD&A

Balance Sheet A

Statement of Revenues, Expenses, and Changes in Fund Net Assets B

Statement of Activities C

Statement of Cash Flows D

Notes to the Financial Statements

- A. Summary of Significant Accounting Policies
- B. Budgetary Accounting
- C. Deposits with Financial Institutions and Investments (Information in Appendix B)
- D. Capital Assets – Including Capital Lease Assets
- E. Inventories
- F. Restricted Assets
- G. Leave
- H. Retirement System
- I. Post Retirement Health Care and Life Insurance Benefits
- J. Leases
- K. Long-Term Liabilities
- L. Contingent Liabilities
- M. Related Party Transactions
- N. Accounting Changes
- O. In-Kind Contributions
- P. Defeased Issues
- Q. Cooperative Endeavors
- R. Government-Mandated Nonexchange Transactions (Grants)
- S. Violations of Finance-Related Legal or Contractual Provisions
- T. Short-Term Debt
- U. Disaggregation of Receivable Balances
- V. Disaggregation of Payable Balances
- W. Subsequent Events
- X. Segment Information
- Y. Due to/Due from and Transfers
- Z. Liabilities Payable from Restricted Assets
- AA. Prior-Year Restatement of Net Assets
- BB. Net Assets Restricted by Enabling Legislation (Information in Appendix C)
- CC. Impairment of Capital Assets (Additional Info in Appendix D)
- DD. Employee Termination Benefits

Schedules

- 1 Schedule of Per Diem Paid to Board Members
- 2 Schedule of State Funding
- 3 Schedules of Long-Term Debt
- 4 Schedules of Long-Term Debt Amortization
- 15 Schedule of Comparison Figures and Instructions

**STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)
MANAGEMENTS' DISCUSSION AND ANALYSIS
JUNE 30, 2007**

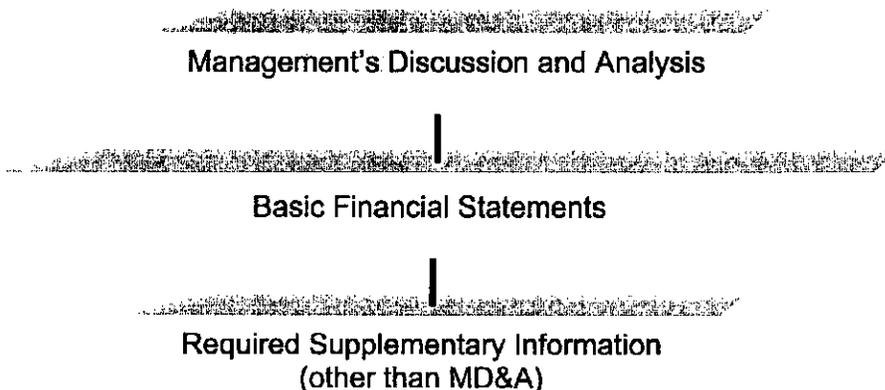
The Management's Discussion and Analysis of the Amite River Basin Drainage and Water Conservation District's financial performance presents a narrative overview and analysis of Amite River Basin Drainage and Water Conservation District's financial activities for the year ended June 30, 2007. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with Amite River Basin Drainage and Water Conservation District's financial statements, which begin on page 39.

FINANCIAL HIGHLIGHTS

- ★ The Amite River Basin Drainage and Water Conservation District's financial assets exceeded its liabilities at the close of fiscal year 2007 by \$7,667,735. The net assets increased by \$1,627,741 (or 27%).
- ★ The Amite River Basin Drainage and Water Conservation District's revenue increased \$229,454 and the net results from activities increased by \$200,772.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

Basic Financial Statements

The basic financial statements present information for the Amite River Basin Drainage and Water Conservation District's as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

**STATE OF LOUISIANA
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)
 MANAGERMENTS' DISCUSSION AND ANALYSIS
 JUNE 30, 2007**

The Balance Sheet (page 49) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Amite River Basin Drainage and Water Conservation District's is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (page 50) presents information showing how Amite River Basin Drainage and Water Conservation District's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 52 - 53) presents information showing how Amite River Basin Drainage and Water Conservation District's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

	<u>2007</u>	<u>2006</u>
Current assets	\$ 376,074	\$ 222,725
Restricted assets	631,479	542,294
Capital assets	8,639,873	7,696,458
Total assets	<u>9,647,426</u>	<u>8,461,477</u>
Current liabilities	7,907	7,458
Long-term debt outstanding	5,876	6,058
Liabilities payable from restricted assets	# 1,965,908	2,407,966
Total liabilities	<u>1,979,691</u>	<u>2,421,483</u>
Net assets:		
Invested in capital assets, net of debt	6,694,873	5,311,458
Restricted	610,572	519,327
Unrestricted	362,291	209,209
Total net assets	<u>\$ 7,667,735</u>	<u>\$ 6,039,994</u>

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Net assets of Amite River Basin Drainage and Water Conservation District increased by \$1,627,741 or 27%, from June 30, 2006 to June 30, 2007. The increase is primarily a result of sound management over expenses.

**STATE OF LOUISIANA
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT'S (BTA)
 MANAGERMENTS' DISCUSSION AND ANALYSIS
 JUNE 30, 2007**

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
 for the years ended June 30, 2007
 (in thousands)**

		Total	
		2007	2006
Operating revenues	\$	1,905	1,723
Operating expenses		319	292
Operating income(loss)		1,586	1,431
Non-operating revenues(expenses)		(16)	(20)
Income(loss) before transfers		1,570	1,411
Transfers in		365	671
Transfers out		(365)	(671)
Net increase(decrease) in net assets	\$	1,570	\$ 1,411

The Amite River Basin Drainage and Water Conservation District total revenues increased by \$182,000. Expenses increased by \$27,000 over the prior year's expenses.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2007, the Amite River Basin Drainage and Water Conservation District had \$6,694,873 invested in capital assets. The majority of this is the District's share of the cost of the Comite River Diversion Canal currently under construction.

Debt

The Amite River Basin Drainage and Water Conservation District had \$1,945,000 in outstanding bonds. These are being paid off through a property tax assessed on those property owners in the areas affected by the Comite River Diversion Canal.

Other obligations include accrued leave in the amount of \$5,876.

**STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)
MANAGEMENTS' DISCUSSION AND ANALYSIS
JUNE 30, 2007**

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues are not budgeted by this governmental activities agency because receipt is dependent upon appropriations from the State of Louisiana. Appropriations and interest totaled \$60,932 during the year. Expenses were \$16,248 or 6% less than anticipated. Expenses are always held below that which is actually received.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District expects to receive supplemental appropriations from the State through its capital outlay bill and from the federal government to continue construction as has been the case in the past. The construction of the Comite River Diversion Canal project is expected to be completed in six to eight years.

CONTACTING THE BOARD'S (BTA) MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Amite River Basin Drainage and Water Conservation District's (BTA) finances and to show the Amite River Basin Drainage and Water Conservation District (BTA) accountability for the money it receives. If you have questions about this report or need additional financial information, contact Dietmar Rietschier, Executive Director, at 3535 South Sherwood Forest Boulevard, Suite 135, Baton Rouge, Louisiana 70816-2255, 225-296-4900.

**STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)
BALANCE SHEET
AS OF JUNE 30, 2007**

CURRENT ASSETS	Cash and cash equivalents	\$	<u>376,074</u>
	Investments		
	Receivables (net of allowance for doubtful accounts)(Note U)		
	Due from other funds (Note Y)		
	Due from federal government		
	Inventories		
	Prepayments		
	Notes receivable		
	Other current assets		
	Total current assets		<u>376,074</u>
NONCURRENT ASSETS:			
	Restricted assets (Note F):		
	Cash		<u>631,479</u>
	Investments		
	Receivables		
	Notes receivable		
	Investments		
	Capital assets (net of depreciation)(Note D)		
	Land		
	Buildings and improvements		
	Machinery and equipment		<u>4,579</u>
	Infrastructure		<u>8,635,293</u>
	Construction in progress		
	Other noncurrent assets		
	Total noncurrent assets		<u>9,271,352</u>
	Total assets	\$	<u><u>9,647,426</u></u>
LIABILITIES			
CURRENT LIABILITIES:			
	Accounts payable and accruals (Note V)	\$	<u>7,907</u>
	Due to other funds (Note Y)		
	Due to federal government		
	Deferred revenues		
	Amounts held in custody for others		
	Other current liabilities		
	Current portion of long-term liabilities:		
	Contracts payable		
	Reimbursement contracts payable		
	Compensated absences payable (Note K)		
	Capital lease obligations - (Note J)		
	Claims and litigation payable (Note K)		
	Notes payable		
	Liabilities payable from restricted assets (Note Z)		<u>1,965,908</u>
	Bonds payable		
	Other long-term liabilities		
	Total current liabilities		<u>1,973,814</u>
NON-CURRENT LIABILITIES:			
	Contracts payable		
	Reimbursement contracts payable		
	Compensated absences payable (Note K)		<u>5,876</u>
	Capital lease obligations (Note J)		
	Claims and litigation payable (Note K)		
	Notes payable		
	Liabilities payable from restricted assets (Note Z)		
	Bonds payable		
	Other long-term liabilities		
	Total long-term liabilities		<u>5,876</u>
	Total liabilities		<u>1,979,691</u>
NET ASSETS			
	Invested in capital assets, net of related debt		<u>6,694,873</u>
	Restricted for:		
	Capital projects		<u>610,572</u>
	Debt service		
	Unemployment compensation		
	Other specific purposes		
	Unrestricted		<u>362,291</u>
	Total net assets		<u>7,667,735</u>
	Total liabilities and net assets	\$	<u><u>9,647,426</u></u>

The accompanying notes are an integral part of this financial statement.
Statement A

**STATE OF LOUISIANA
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2007**

OPERATING REVENUES	
Sales	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	_____
Other	_____
Total operating revenues	_____ -
OPERATING EXPENSES	
Cost of sales and services	_____
Administrative	_____ 324,594
Depreciation	_____
Amortization	_____
Total operating expenses	_____ 324,594
Operating income(loss)	_____ (324,594)
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues (expenses)	_____
Taxes	_____ 1,855,055
Use of money and property	_____ 47,133
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other revenue	_____
Other expense	_____
Total non-operating revenues(expenses)	_____ 1,902,188
Income(loss) before contributions and transfers	_____ 1,577,595
Capital contributions	_____ 50,000
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____
Change in net assets	_____ 1,627,595
Total net assets – beginning as restated	_____ 6,040,141
Total net assets – ending	\$ _____ 7,667,735

The accompanying notes are an integral part of this financial statement.
 Statement B

**STATE OF LOUISIANA
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Program Revenues</u>			Net (Expense) Revenue and Changes in Net Assets
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Entity	\$ 324,594	\$	\$ 50,000	\$ (274,594)
General revenues:				
Taxes				1,855,055
State appropriations				
Grants and contributions not restricted to specific programs				
Interest				47,133
Miscellaneous				
Special items				
Extraordinary item - Loss on impairment of capital assets				
Transfers				
Total general revenues, special items, and transfers				1,902,188
Change in net assets				1,627,595
Net assets - beginning as restated				6,040,141
Net assets - ending				\$ 7,667,735

The accompanying notes are an integral part of this financial statement.
 Statement C

**STATE OF LOUISIANA
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2007**

Cash flows from operating activities

Cash received from customers	\$ _____	
Cash payments to suppliers for goods and services	_____	
Cash payments to employees for services	_____	
Payments in lieu of taxes	_____	
Internal activity payments to other funds	_____	
Claims paid to outsiders	_____	
Other operating revenues(expenses)	_____	
Net cash provided(used) by operating activities		\$ _____ -

Cash flows from non-capital financing activities

State appropriations	_____	
Proceeds from sale of bonds	_____	
Principal paid on bonds	_____	
Interest paid on bond maturities	_____	
Proceeds from issuance of notes payable	_____	
Principal paid on notes payable	_____	
Interest paid on notes payable	_____	
Operating grants received	_____	
Transfers in	_____	
Transfers out	_____	
Other	_____	
Net cash provided(used) by non-capital financing		_____ -

Cash flows from capital and related financing activities

Proceeds from sale of bonds	_____	
Principal paid on bonds	_____	
Interest paid on bond maturities	_____	
Proceeds from issuance of notes payable	_____	
Principal paid on notes payable	_____	
Interest paid on notes payable	_____	
Acquisition/construction of capital assets	_____	
Proceeds from sale of capital assets	_____	
Capital contributions	_____	
Other	_____	
Net cash provided(used) by capital and related activities		_____ -

Cash flows from investing activities

Purchases of investment securities	_____	
Proceeds from sale of investment securities	_____	
Interest and dividends earned on investment securities	_____	
Net cash provided(used) by investing activities		_____ -

Net increase(decrease) in cash and cash equivalents _____ -

Cash and cash equivalents at beginning of year _____

Cash and cash equivalents at end of year \$ N/A

The accompanying notes are an integral part of this statement.
 Statement D (continued)

**STATE OF LOUISIANA
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)
 STATEMENT OF CASH FLOWS (Continued)
 FOR THE YEAR ENDED JUNE 30, 2007**

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)		\$ _____
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	_____	
Provision for uncollectible accounts	_____	
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	_____	
(Increase)decrease in due from other funds	_____	
(Increase)decrease in prepayments	_____	
(Increase)decrease in inventories	_____	
(Increase)decrease in other assets	_____	
Increase(decrease) in accounts payable and accruals	_____	
Increase(decrease) in accrued payroll and related benefits	_____	
Increase(decrease) in compensated absences payable	_____	
Increase(decrease) in due to other funds	_____	
Increase(decrease) in deferred revenues	_____	
Increase(decrease) in other liabilities	_____	
 Net cash provided(used) by operating activities		 \$ <u> N/A </u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease	\$ _____
Contributions of fixed assets	_____
Purchases of equipment on account	_____
Asset trade-ins	_____
Other (specify)	_____
_____	_____
_____	_____
 Total noncash investing, capital, and financing activities:	 \$ <u> N/A </u>

The accompanying notes are an integral part of this statement.
 Statement D (concluded)

**STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)
Notes to the Financial Statements
As of and for the year ended June 30, 2007**

INTRODUCTION

The Amite River Basin Drainage and Water Conservation District (BTA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 38:3301-3309. The following is a brief description of the operations of Louisiana State Board of Architectural Examiners (BTA) that includes the parish/parishes in which the (BTA) is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Amite River Basin Drainage and Water Conservation District (hereafter referred to as the District) present information only as to the transactions of the programs of the District as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the District are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Louisiana State Board of Architectural Examiners (BTA) are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

**STATE OF LOUISIANA
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)
 Notes to the Financial Statements
 As of and for the year ended June 30, 2007**

	<u>APPROPRIATIONS</u>
Original approved budget	\$ 304,850
Amendments:	(15,000)

Final approved budget	\$ 289,850

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the District (BTA) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the District (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by the three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

**STATE OF LOUISIANA
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)
 Notes to the Financial Statements**

As of and for the year ended June 30, 2007

The deposits at June 30, 2007, consisted of the following:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in Bank Accounts Per Balance Sheet	\$ <u>1,007,553</u>	\$ _____	\$ _____	\$ <u>1,007,553</u>
Bank Balances of Deposits Exposed to Custodial Credit Risk:				
a. Uninsured and uncollateralized	\$ _____	\$ _____	\$ _____	\$ _____
b. Uninsured and collateralized with securities held by the pledging institution	<u>1,026,014</u>	_____	_____	<u>1,026,014</u>
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	_____	_____	_____	_____
Total Bank Balances - All Deposits	\$ <u>1,026,014</u>	\$ _____	\$ _____	\$ <u>1,026,014</u>

NOTE: The "Total Bank Balances – All Deposits" will not necessarily equal the "Deposits in Bank Account per Balance Sheet" due to outstanding items.

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. Hancock Bank	Capital projects	\$ <u>90,439</u>
2. Capital One	Operations	<u>66,822</u>
3. LAMP	Capital projects	<u>541,177</u>
4. LAMP	Operations	<u>327,575</u>
Total		\$ <u>1,026,014</u>

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ <u>N/A</u>
Petty cash	\$ <u>N/A</u>

2. INVESTMENTS

The Louisiana State Board of Architectural Examiners (BTA) does not maintain investment accounts as authorized by La. R.S. 33:2955.

STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)
Notes to the Financial Statements
As of and for the year ended June 30, 2007

3. Derivatives

The institution does not invest in derivatives as part of its investment policy. Accordingly, the exposure to risk from these investments is zero:

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

	<u>6/30/06</u>	<u>Additions</u>	<u>Retirements</u>	<u>6/30/07</u>
Capital Assets, being depreciated				
Furniture and equipment	\$ 45,6398.77	\$ 4,049.75	\$.00	49,688.52
Less: accumulated depreciation	<u>43,191.71</u>	<u>1,917.54</u>	<u>.00</u>	<u>45,109.25</u>
Net Furniture and Equipment	2,447.06	2,132.21	.00	4,579.27
Canals and drainage	7,694,207.10	941,136.13	.00	8,635,293.48
Less: accumulated depreciation	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>
Net Canals and Drainage	<u>7,694,207.10</u>	<u>941,136.13</u>	<u>.00</u>	<u>8,635,293.48</u>
Net Capital Assets, being depreciated	<u>7,696,654.16</u>	<u>943,268.34</u>	<u>.00</u>	<u>7,696,457.75</u>

E. INVENTORIES

N/A

F. RESTRICTED ASSETS

Restricted assets include cash and cash equivalents of \$631,479.03 at June 30, 2007, and \$542,293.73 at June 30, 2006. These assets were accumulated for the construction of a diversion canal for the Comite River thus restricting their use for that purpose.

G. LEAVE

1. COMPENSATED ABSENCES

The District (BTA) has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of full-time service and were credited at the end of each month of regular service. Accumulated leave is carried forward to succeeding years without limitation. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure when leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligation. The amount of unpaid leave time accrued at June 30, 2007 and 2006, were \$5,876 and \$6,058, respectively.

**STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)
Notes to the Financial Statements
As of and for the year ended June 30, 2007**

2. COMPENSATORY LEAVE

Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. There was no accrued compensatory leave time at June 30, 2007.

H. RETIREMENT SYSTEM

Substantially all of the employees of the District (BTA) are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time (BTA) employees are eligible to participate. Benefits vest with 10 years of service. At retirement age employees are entitled to annual benefits equal to 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service plus \$300 for employees hired before July 31, 1986.

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service or (c) age 60 with 10 years of service. An option of reduced benefits at any age with 20 years of service is available. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual financial report that is available to the public including financial statements and required supplementary information of the System. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Covered employees are required to contributing 7.5% of gross salary to the plan, and the Board is required to contribute at an actuarially determined rate as required by R.S. 11:102. That rate for the year ended June 30, 2007 was 19.1%. Contributions to the System for the years ended June 30, 2007, 2006 and 2005, were \$21,459, \$21,214 and \$18,817, respectively.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The District may provide certain continuing health care and life insurance benefits for its retired employees. Substantially all of the District's employees become eligible for those benefits if they reach normal retirement age while working for the District. Those benefits include joint payment of monthly premiums at 50% District and 50% retired persons. The District does not currently have any retired persons to which it provides post retirement benefits.

J. LEASES

NOTE: Where five-year amounts are requested, list the total amount (sum) for the five-year period, not the annual amount for each of the five years.)

1. OPERATING LEASES

The total payments for operating leases during the fiscal year were \$21,072 for office space and \$2,188 for office equipment. A schedule of payments for operating leases follows:

**STATE OF LOUISIANA
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)
 Notes to the Financial Statements
 As of and for the year ended June 30, 2007**

<u>Nature of lease</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 - 2017</u>	<u>FY 2018 2022</u>
Office space	\$ 21,072	\$	\$	\$	\$	\$	\$
Copier	2,188						
Total	\$ 23,260	\$ -	\$ -				

2. CAPITAL LEASES

Capital leases are not recognized in the accompanying financial statements.

<u>Year ending June 30:</u>	<u>Total</u>
2007	\$ _____
2008	_____
2009	_____
2010	_____
2011	_____
2012-2016	_____
2017-2021	_____
2022-2026	_____
Total minimum lease payments	-
Less amounts representing executory costs	_____
Net minimum lease payments	-
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ <u>N/A</u>

4. LESSOR – OPERATING LEASE

N/A

STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)
Notes to the Financial Statements
As of and for the year ended June 30, 2007

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2007

	Balance June 30, 2006	Year ended June 30, 2007		Balance June 30, 2007	Amounts due within one year
		Additions	Reductions		
Notes and bonds payable:					
Notes payable	\$	\$	\$	\$ --	\$
Reimbursement contracts payable				--	
Bonds payable	<u>2,385,000</u>	<u>--</u>	<u>440,000</u>	<u>1,945,000</u>	<u>460,000</u>
Total notes and bonds	<u>2,385,000</u>	<u>--</u>	<u>440,000</u>	<u>1,945,000</u>	<u>460,000</u>
Other liabilities:					
Contracts payable				--	
Compensated absences payable	6,058	5,937	6,119	5,876	--
Capital lease obligations				--	
Claims and litigation				--	
Liabilities payable from restricted assets				--	
Other long-term liabilities				--	
Total other liabilities	<u>6,058</u>	<u>5,937</u>	<u>6,119</u>	<u>5,876</u>	<u>--</u>
Total long-term liabilities	<u>\$ 2,391,058</u>	<u>\$ 5,937</u>	<u>\$ 446,119</u>	<u>\$ 1,950,876</u>	<u>\$ 460,000</u>

L. CONTINGENT LIABILITIES

N/A

M. RELATED PARTY TRANSACTIONS

N/A

N. ACCOUNTING CHANGES

N/A

O. IN-KIND CONTRIBUTIONS

N/A

P. DEFEASED ISSUES

N/A

Q. COOPERATIVE ENDEAVORS

N/A

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

N/A

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

N/A.

**STATE OF LOUISIANA
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)
 Notes to the Financial Statements
 As of and for the year ended June 30, 2007**

T. SHORT-TERM DEBT

N/A

U. DISAGGREGATION OF RECEIVABLE BALANCES

N/A

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2007, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Operations	\$ 3,225	\$ 4,681	\$ 20,908	\$ -	\$ 28,814
Total payables	\$ 3,225	\$ 4,681	\$ 20,908	\$ -	\$ 28,814

W. SUBSEQUENT EVENTS

N/A

X. SEGMENT INFORMATION

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)
Notes to the Financial Statements
As of and for the year ended June 30, 2007

Type of goods or services provided by the segment: licenses

A. Condensed Balance sheet:

	<u>Segment #1</u>	<u>Segment #2</u>
Current assets	\$ _____	\$ _____
Due from other funds		
Capital assets	8,639,873	
Restricted assets	631,479	
Current liabilities	7,907	
Liabilities payable from restricted assets	1,965,908	
Long-term liabilities	5,876	
Restricted net assets	610,572	
Unrestricted net assets	362,291	
Invested in capital assets, net of related debt	6,694,873	

B. Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

	<u>Segment #1</u>	<u>Segment #2</u>
Operating revenues	\$ _____	\$ _____
Operating expenses	324,594	
Depreciation and amortization		
Operating income (loss)	(324,594)	-
Nonoperating revenues (expenses)	1,902,188	
Capital contributions/additions to permanent and term endowments	50,000	
Special and extraordinary items		
Transfers in	-	
Transfers out	-	
Change in net assets	1,627,594	-
Beginning net assets	6,040,141	
Ending net assets	7,667,735	-

C. Condensed Statement of Cash Flows:

	<u>Segment #1</u>	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ _____	\$ _____
Net cash provided (used) by noncapital financing activities		
Net cash provided (used) by capital and related financing activities		
Net cash provided (used) by investing activities		
Beginning cash and cash equivalent balances		
Ending cash and cash equivalent balances	N/A	-

**STATE OF LOUISIANA
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)
 Notes to the Financial Statements
 As of and for the year ended June 30, 2007**

Y. DUE TO/DUE FROM AND TRANSFERS

Transfers among governmental funds were as follows during the current year:

	General <u>Fund</u>	Debt <u>Service</u>	Capital <u>Projects</u>
Transfers from other funds	\$ 365,560.50	\$ 503,015.83	\$.00
Transfers to other funds	<u>.00</u>	<u>.00</u>	<u>868,576.33</u>
Total Transfers	<u>365,560.50</u>	<u>503,015.83</u>	<u>868,576.33</u>

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Restricted assets include cash and cash equivalents of \$631,479.03 at June 30, 2007, and \$542,293.73 at June 30, 2006. These assets were accumulated for the construction of a diversion canal for the Comite River thus restricting their use for that purpose.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

N/A

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46)

N/A

CC. IMPAIRMENT OF CAPITAL ASSETS

N/A

DD. EMPLOYEE TERMINATION BENEFITS

N/A

STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)
Notes to the Financial Statements
As of and for the year ended June 30, 2007

Y. DUE TO/DUE FROM AND TRANSFERS

Transfers among governmental funds were as follows during the current year:

	General <u>Fund</u>	Debt <u>Service</u>	Capital <u>Projects</u>
Transfers from other funds	\$ 365,560.50	\$ 503,015.83	\$.00
Transfers to other funds	<u>.00</u>	<u>.00</u>	<u>868,576.33</u>
 Total Transfers	 <u>365,560.50</u>	 <u>503,015.83</u>	 <u>868,576.33</u>

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Restricted assets include cash and cash equivalents of \$631,479.03 at June 30, 2007, and \$542,293.73 at June 30, 2006. These assets were accumulated for the construction of a diversion canal for the Comite River thus restricting their use for that purpose.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

N/A

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46)

N/A

CC. IMPAIRMENT OF CAPITAL ASSETS

N/A

DD. EMPLOYEE TERMINATION BENEFITS

N/A

STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT'S (BTA)
SCHEDULE OF STATE FUNDING
For the Year Ended June 30, 2007
(Fiscal Close)

<u>Description of Funding</u>	<u>Amount</u>
1. <u>Appropriation (capital outlay)</u>	\$ <u>50,000</u>
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
Total	\$ <u><u>50,000</u></u>

STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT'S (BTA)
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE
 June 30, 2007
 (Fiscal Close)

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
		\$	\$	\$	\$		\$
Total		\$	\$	\$	\$		\$ N/A

STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT'S (BTA)
SCHEDULE OF REIMBURSEMENT CON
TRACTS PAYABLE AMORTIZATION
For The Year Ended June 30, 2007
(Fiscal Close)

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2007	\$ _____	\$ _____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
Total	\$ <u> --</u>	\$ <u> N/A</u>

STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT'S (BTA)
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 2007

Fiscal Year Ending:	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2007	\$ _____	\$ _____	\$ _____	\$ _____ --
2008	_____	_____	_____	_____ --
2009	_____	_____	_____	_____ --
2010	_____	_____	_____	_____ --
2011	_____	_____	_____	_____ --
2012-2016	_____	_____	_____	_____ --
2017-2021	_____	_____	_____	_____ --
2022-2026	_____	_____	_____	_____ --
2027-2031	_____	_____	_____	_____ --
 Total	 \$ _____ --	 \$ _____ --	 \$ _____ --	 \$ _____ N/A

STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT'S (BTA)
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For the Year Ended June 30, 2007

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2007	\$ _____	\$ _____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012-2016	_____	_____
2017-2021	_____	_____
2022-2026	_____	_____
2027-2031	_____	_____
Total	\$ _____ -	\$ _____ N/A

STATE OF LOUISIANA
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT'S (BTA)
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2007

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2008	\$ 460,000.00	\$ 62,722.50
2009	475,000.00	62,262.50
2010	495,000.00	60,600.00
2011	515,000.00	30,900.00
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
Total	\$ 1,945,000.00	\$ 216,485.00

STATE OF LOUISIANA

AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2007</u>	<u>2006</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>1,952,188</u>	\$ <u>1,722,734</u>	\$ <u>229,454</u>	<u>13%</u>
Expenses	<u>324,594</u>	<u>295,912</u>	<u>28,682</u>	<u>10%</u>
2) Capital assets	<u>6,694,873</u>	<u>5,311,458</u>	<u>1,383,415</u>	<u>26%</u>
Long-term debt	<u>1,971,784</u>	<u>2,414,025</u>	<u>(442,241)</u>	<u>18%</u>
Net Assets	<u>7,667,735</u>	<u>6,039,994</u>	<u>1,627,741</u>	<u>27%</u>

Explanation for change:
